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**Examination Of Records
Of The Finance Office
Fiscal Year 1970** B-114864

House of Representatives

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

089817

JAN. 18, 1971

~~215255~~



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B- 114864

Dear Mr. Jennings:

The accompanying report summarizes the results of our examination of the records of the Finance Office, House of Representatives, for the fiscal year ended June 30, 1970. The examination was made pursuant to your request dated May 11, 1970.

A copy of this report is being sent to the Chairman of the Committee on House Administration.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

The Honorable W. Pat Jennings
Clerk of the House of Representatives

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D I G E S T

WHY THE EXAMINATION WAS MADE

The General Accounting Office (GAO) made an examination of the records of the Finance Office, House of Representatives, at the request of the Clerk of the House. (See app. I.)

FINDINGS AND CONCLUSIONS

In GAO's opinion the financial statements (schs. 1 through 5), which were prepared on a basis consistent with that of the preceding year and in accordance with the accounting practice described on page 9, present fairly the accountability of the Clerk of the House of Representatives for appropriated and other funds at June 30, 1970, and the status of the individual appropriations and other funds at that date.

GAO found that:

- Of 836 contingent fund vouchers paid in April 1970, 59 vouchers, or about 7 percent, were paid, contrary to prescribed procedures, prior to approval by the Committee on House Administration and the Clerk of the House. (See p. 7.)
- Occasionally checks had been issued in amounts other than those shown on the vouchers or had been issued to the wrong payees. These checks were returned and corrected checks were issued. (See p. 7.)
- Security over both blank checks and undelivered employees' payroll checks needed to be strengthened. (See p. 7.)

RECOMMENDATIONS OR SUGGESTIONS

The Finance Officer, House of Representatives, should require that:

- All contingent fund vouchers being processed for payment be approved by both the Committee on House Administration and the Clerk of the House prior to the payment of funds. (See p. 7.)
- Controls be established to ensure that checks issued are for the correct amounts and to the correct payees. (See p. 7.)

- Security measures for all checks be strengthened to ensure that they are not left unattended for any period of time. (See p. 8.)
- The sequence of check numbers be verified upon receipt of blank checks from the U.S. Treasury. (See p. 8.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Finance Officer agreed with GAO's suggestions and issued the necessary instructions to implement them.

INTRODUCTION

The General Accounting Office has made an examination of the records of the FINANCE OFFICE OF THE HOUSE OF REPRESENTATIVES for fiscal year 1970.

The Clerk of the House is the principal fiscal officer of the House. He disburses the funds appropriated for the expenses of the House, other than those for salaries and mileage of members and the expense allowance of the Speaker that the Sergeant at Arms disburses. The Clerk of the House makes disbursements on the basis of certifications by appropriate members and, in certain instances, by appropriate officers of the House. The financial records are kept in accordance with long-standing procedures of the Finance Office.

Our examination was made in accordance with generally accepted auditing standards and was undertaken to verify the financial accountability of the Clerk of the House at June 30, 1970. We (1) reviewed Federal laws relating to payments of salaries and other expenses of the House (2) examined, on a test basis, the records and financial transactions for the required certifications and approvals, and (3) included such auditing procedures as we considered appropriate.

ACCOUNTABILITY FOR APPROPRIATIONS AND FUNDS

At June 30, 1970, the unexpended funds for which the Clerk of the House was accountable amounted to \$6,824,698. A statement of the accountability of the Clerk of the House for the fiscal year ended June 30, 1970, as shown in the accounts of the Finance Office, is presented as schedule 1 and is summarized as follows:

Unexpended balance, July 1, 1969	\$ 8,134,834
Appropriations and receipts	<u>102,036,585</u>
Total funds available	110,171,419
Disbursements and transfers	<u>103,346,721</u>
Unexpended balance, June 30, 1970	\$ <u>6,824,698</u>

A statement showing, for each appropriation and fund, the total amount available, the net disbursements, the transfers during the period, and the unexpended balance at June 30, 1970, is presented as schedule 2.

Comments relative to disbursements for salaries, expenses of special and select committees, miscellaneous items, and payment of vouchers and to the control over checks are presented in the following sections.

DISBURSEMENTS FOR SALARIES

Most of the disbursements are for the payment of members' clerk hire and the salaries of officers and employees of the House. The payrolls are prepared on the basis of designations and appointments by the committee chairmen and officers and members of the House. Individual time and attendance is not reported to the Finance Office, and salary payments continue until a notice to terminate is received. Any payroll changes as a result of increased or decreased deductions requested by employees, appointments, terminations, and so forth are recorded on pay-change work sheets from original documents in the Finance Office. The work sheets are then forwarded to the Data Processing Office for payroll purposes.

The special and select committee chairmen and the elected officers of the House certify the correctness of the payrolls covering the salaries of their respective employees, whereas the standing committee chairmen and members do not. Payrolls not certified are signed by the Clerk of the House on the basis of the approved appointments.

EXPENSES OF SPECIAL AND SELECT COMMITTEES

The expenses of special and select committees of the House of Representatives are authorized and limited by House resolutions. The authorization to incur expenses within the specified limitation covers each session of the Congress unless otherwise provided in the authorizing resolution. Funds to pay these expenses are appropriated on a fiscal-year basis. Generally, expenses incurred during a given fiscal year are paid from the appropriation applicable to that year.

The expenses of special and select committees paid during the fiscal year ended June 30, 1970, amounted to \$6,922,587 and were authorized by the Ninety-first Congress.

The statement of authorizations, disbursements, and unexpended balances for special and select committees of the Ninety-first Congress is presented as schedule 3. This schedule shows the authorizations and disbursements from January 3, 1969, through June 30, 1970, and schedule 2 shows the fiscal year 1970 transactions in the appropriation accounts of the fiscal years indicated; thus the figures presented are for different periods of time.

MISCELLANEOUS ITEMS

Amounts appropriated for miscellaneous items of the House are available for necessary expenses not specifically provided for in other appropriations. A separate appropriation was established in fiscal year 1970 for employee benefits which had previously been included in this appropriation. In fiscal year 1970 there were 23 classifications of miscellaneous items compared with 30 classifications in fiscal year 1969.

The funds appropriated for miscellaneous items for fiscal years 1969 and 1970 and the disbursements made from such funds are presented as schedules 4 and 5 and are summarized on the following page.

	<u>1969</u>	<u>1970</u>
Appropriations:		
Annual appropriation	\$8,000,000	\$5,010,000
Transferred to other appropriations:		
Stationery Revolving Fund (prorated allowance for new members pursuant to 2 U.S.C. 46-2)	-7,000	-2,350
Government contributions pursuant to Public Law 91-145, and Public Law 91-257	-	-63,100
Special and select committees pursuant to Public Law 91-257	-	-148,000
Salaries, officers and employees, pursuant to Public Law 91-305	-	-20,000
Minority Leader's automobile pursuant to Public Law 91-257	-	-25
	<u>7,993,000</u>	<u>4,776,525</u>
Amount available		
Total funds disbursed:		
Fiscal year 1969	6,434,524	-
" " 1970	<u>639,799</u>	<u>3,105,137</u>
Total	<u>7,074,323</u>	<u>3,105,137</u>
Unexpended balance, June 30, 1970	<u>\$ 918,677</u>	<u>\$1,671,388</u>

PAYMENT OF VOUCHERS BEFORE APPROVAL

The procedure for disbursing funds provides that contingent fund vouchers be approved by both the Committee on House Administration and the Clerk of the House prior to any disbursement of contingent funds by the Finance Office. Our review showed that, of the 836 contingent fund vouchers paid in April 1970, 59 vouchers, or about 7 percent, were paid, contrary to prescribed procedures, prior to approval by either one or both of the above authorities.

We suggested to the Finance Officer that this practice be discontinued and that all contingent fund vouchers processed for payment have the necessary approvals prior to the disbursing of funds. In line with our suggestion, the Finance Officer issued verbal instructions to the Audit Section requiring that all contingent fund vouchers be approved by both the Committee on House Administration and the Clerk of the House, prior to the processing of the payment checks.

During our review we noted that occasionally checks had been issued in amounts other than those shown on the vouchers or had been issued to the wrong payees. For example, a check was issued to a company for \$3,014.90 although the voucher was for \$175.96. In another case, the House Recording Studio submitted a voucher to the Finance Office which showed that the payee was the Office Supply Service; however, the check was made payable to the estate of a deceased employee. Although prior to our review the incorrect checks were returned to the Finance Office and corrected checks were issued, we believe that the situation indicated a need for improving Finance Office audit procedures.

To prevent future errors of this nature, we made several suggestions to the Finance Officer. Procedures to prevent a recurrence of such errors were established in a memorandum dated August 18, 1970. (See app. II.)

CONTROL OVER CHECKS

We observed that blank checks were being left unattended near the bookkeeping and signature machines for substantial periods of time. Since there is constant traffic in and out of the Finance Office, it is quite possible for these checks

to be either lost or stolen. For example, we learned that two blank checks were unaccounted for by the Audit Section of the Finance Office. Since the sequence of numbers was not verified upon receipt of blank checks from the U.S. Treasury, the Audit Section had no way of knowing whether these checks ever were received from the Treasury, or whether they had been lost or stolen. The Treasury, however, was notified on June 18, 1970, of their disappearance and stop-payment notices subsequently were issued. The two checks were located on November 24, 1970.

We observed also a similar lack of security over undelivered employees' payroll checks. These checks were also being left unattended for substantial periods of time. Since employees are paid on a monthly basis, the amounts of these checks are relatively large. As previously stated, the constant flow of traffic in and out of the Finance Office provides an opportunity for potential loss or theft of these checks.

We suggested to the Finance Officer that security measures for all checks be strengthened to ensure that they are not left unattended for any period of time. We suggested also that the sequence of check numbers be verified upon receipt of blank checks from the U.S. Treasury. This will identify the check numbers for which the Finance Office is accountable and should provide better control over disbursements. The Finance Officer agreed with our suggestions and issued the necessary instructions to implement them.

OPINION OF FINANCIAL STATEMENTS

The accompanying financial statements were prepared by us from the records of the Finance Office, House of Representatives, which are maintained on a cash basis in accordance with the long-standing procedures of the House Finance Office.

In our opinion, the accompanying financial statements (schs. 1 through 5), which were prepared on a basis consistent with that of the preceding year and in accordance with the accounting practice described above, present fairly the accountability of the Clerk of the House for appropriated and other funds at June 30, 1970, and the status of the individual appropriations and other funds at that date.

FINANCIAL STATEMENTS

SCHEDULE 1

THE FINANCE OFFICE

HOUSE OF REPRESENTATIVES

STATEMENT OF ACCOUNTABILITY FOR APPROPRIATIONS AND OTHER FUNDS

FISCAL YEAR ENDED JUNE 30, 1970

UNEXPENDED BALANCE, JULY 1, 1969			\$ 8,134,834.39
APPROPRIATIONS AND RECEIPTS:			
Current appropriations		\$101,232,102.00	
Revolving funds receipts:			
Stationery Revolving Fund	\$ 560,470.28		
House Recording Studio Revolving Fund	148,355.92		
House Beauty Shop Revolving Fund	<u>60,777.35</u>	769,603.55	
Proceeds from sale of miscellaneous items to be deposited in general fund of the Treasury		<u>34,878.79</u>	<u>102,036,584.34</u>
Total funds available			110,171,418.73
DISBURSEMENTS AND TRANSFERS:			
Disbursements for salaries and other expenses	101,073,551.86		
Less refunds and canceled checks	<u>140,683.89</u>	100,932,867.97	
Transfers:			
Lapsed appropriations transferred to the general fund of the Treasury	2,378,974.13		
Deposited in general fund of the Treasury	<u>34,878.79</u>	<u>2,413,852.92</u>	<u>103,346,720.89</u>
UNEXPENDED BALANCE, JUNE 30, 1970 (sch. 2)			<u>\$ 6,824,697.84</u>

SCHEDULE 2

THE FINANCE OFFICE
HOUSE OF REPRESENTATIVES

STATEMENT OF APPROPRIATIONS AND FUNDS
FISCAL YEAR ENDED JUNE 30, 1970

Fund symbol	Purpose	Fiscal year	Funds available (note a)	Net disbursements	Transfers (note b)	Unexpended balance June 30, 1970
0080410	Salaries, officers and employees	1958	\$ 416,284.77	-	\$ 416,284.77	-
0090410	do.	1959	500,192.76	59,695.33	-	440,507.43
0000410	do.	1970	17,910,440.00	17,609,643.21	-	240,796.79
0080415	Clerk hire, members and delegates	1958	2,076.82	-	2,076.82	-
0090415	do.	1959	18,056.40	-951.58 ^c	-	19,007.98
0000415	do.	1970	49,200,000.00	49,176,144.14	-	23,855.86
0090425	Attending physician	1959	83,612.30	77,117.47	-	6,494.83
0000425	do.	1970	70,800.00	68,344.17	-	2,455.83
0080431	Miscellaneous items	1958	208,717.31	30,793.72	177,923.59	-
0090431	do. (sch. 4)	1959	1,558,476.29	639,798.90	-	918,677.39
0000431	do. (sch. 5)	1970	4,776,525.00	3,105,136.93	-	1,671,388.07
0080432	Reporting hearings	1958	33,968.00	-	33,968.00	-
0090432	do.	1959	187,337.10	100,889.90	-	86,447.20
0000432	do.	1970	325,000.00	262,049.01	-	62,950.99
0080433	Special and select committees	1958	397,289.31	-300.00 ^c	397,588.31	-
0090433	do.	1959	150,410.12	119,385.29	-	31,024.83
0000433	do.	1970	7,050,000.00	6,803,141.79	-	246,858.21
0080434	Telegraph and telephone	1958	1,069,886.92	7,712.68	1,062,174.24	-
0090434	do.	1959	807,758.75	661,285.64	-	146,473.11
0000434	do.	1970	3,650,000.00	2,755,028.14	-	894,971.86
0080435	Revision of laws	1958	98.98	-	98.98	-
0090435	do.	1959	1,852.66	1,750.00	-	102.66
0000435	do.	1970	36,000.00	34,305.98	-	1,694.02
0080436	Government contributions--employee benefits	1970	4,105,000.00	4,092,911.94	-	12,088.06
0090439	Postage stamps	1958	4,607.49	-	4,607.49	-
0090439	do. (note d)	1959	158,703.50	155,668.68	-	3,039.82
0000439	do. (note e)	1970	320,390.00	155,958.25	-	164,431.75
00X0441	Furniture	No year	255,291.41	255,120.94	-	170.47
0080441	do.	1958	23,298.54	11,125.03	12,173.51	-
0090441	do.	1959	103,548.86	102,787.99	-	760.87
0000441	do.	1970	240,000.00	189,748.09	-	50,251.91
0080450	Coordinator of Information	1958	1,479.22	-	1,479.22	-
0080460	Joint Committee on Internal Revenue Taxation	1958	35,354.26	-	35,354.26	-
0090460	do.	1959	35,697.00	25.60	-	35,671.40
0000460	do.	1970	607,715.00	601,829.46	-	5,885.54
0080463	Joint Committee on Defense Production	1958	5,770.32	-	5,770.32	-
0090463	do.	1959	22,091.69	71.90	-	22,019.79
0000463	do.	1970	118,800.00	113,577.99	-	5,222.01
0080470	Speaker's automobile	1958	612.75	-	612.75	-
0090470	do.	1959	1,312.79	747.48	-	565.31
0000470	do.	1970	15,750.00	14,809.35	-	940.65
0080471	Majority Leader's automobile	1958	407.74	-	407.74	-
0090471	do.	1959	1,141.11	601.25	-	539.86
0000471	do.	1970	15,750.00	14,657.98	-	1,092.02
0080472	Minority Leader's automobile	1958	49.04	-	49.04	-
0090472	do.	1959	934.95	851.66	-	83.29
0000472	do.	1970	15,775.00	15,272.05	-	502.95
0080474	Capitol Police Board	1958	215,039.80	-	215,039.80	-
0090474	do.	1959	727,070.31	580,349.69	-	185,720.62
0000474	do.	1970	900,000.00	345,132.59	-	554,867.41
0080476	Uniforms and equipment--Capitol Police	1958	228.13	-	228.13	-
0090476	do.	1959	48,181.41	47,524.80	-	656.61
0000476	do.	1970	134,000.00	105,762.09	-	28,237.91
0000499	Statement of appropriations	1970	6,500.00	3,250.00	-	3,250.00
0073904	Consolidated Working Fund	1957	13,137.16	-	13,137.16	-
0083904	do.	1958	2,289.68	2,289.68	-	-
0093904	do.	1959	3,693.10	986.52	-	2,706.58
0003904	do.	1970	-	-3,700.00 ^c	-	3,700.00
0000820	Education of Pages	1970	112,307.00	112,307.00	-	-
009/00825	Official mail costs	1969-70	10,161,000.00	10,161,000.00	-	-
00X4004	House Recording Studio Revolving Fund	No year	338,355.56	210,793.04	-	127,572.52
00X0440	Stationery Revolving Fund	do.	2,673,928.24	1,936,067.03	-	737,861.21
00X4006	House Beauty Shop Revolving Fund	do.	60,777.35	56,851.35	-	3,926.00
00X0442	Preparation of new edition of D.C. Code	do.	35,254.47	32,492.45	-	2,762.02
00X0437	Preparation of new edition of United States Code	do.	160,489.57	85,035.37	-	75,454.20
	Miscellaneous receipts:					
	Sale of transcripts of hearings		2,397.85	-	2,397.85	-
	" " wastepaper		17,423.78	-	17,423.78	-
	" " surplus property		728.13	-	728.13	-
	Other		14,329.03	-	14,329.03	-
	Total		\$110,171,418.73	\$100,932,867.97	\$2,413,852.92	\$6,824,697.84

^a Includes transfers between appropriations and funds.

^b Consists of \$2,378,974.13 of lapsed appropriations and \$34,878.79 of miscellaneous receipts.

^c Represents refunds of expenditures made in prior periods.

^d The 1969 postage allowance expired January 18, 1970.

^e The 1970 postage allowance expires upon the convening of the 1st sess., 92d Cong.

THE FINANCE OFFICE

HOUSE OF REPRESENTATIVES

STATEMENT OF AUTHORIZATIONS AND DISBURSEMENTS
FOR SPECIAL AND SELECT COMMITTEES, NINETY-FIRST CONGRESS
JANUARY 3, 1969 THROUGH JUNE 30, 1970

<u>Parent committee</u>	<u>Authorizations</u>		<u>Total</u>
	<u>First session</u>	<u>Second session</u>	
Agriculture	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00
Armed Services	175,000.00	250,000.00	425,000.00
Banking and Currency	692,500.00	681,000.00	1,373,500.00
Crime	375,000.00	600,000.00	975,000.00
District of Columbia	100,000.00	-	100,000.00
Education and Labor	769,600.00	769,600.00	1,539,200.00
Foreign Affairs	200,000.00	150,000.00	350,000.00
Government Operations	850,000.00	900,000.00	1,750,000.00
House Administration	300,000.00	500,000.00	800,000.00
House Restaurant	-	40,000.00	40,000.00
Interior and Insular Affairs	115,000.00	80,000.00	195,000.00
Internal Security	400,000.00	450,000.00	850,000.00
Interstate and Foreign Commerce	595,000.00	465,000.00	1,060,000.00
Judiciary	250,000.00	250,000.00	500,000.00
Merchant Marine and Fisheries	135,000.00	175,000.00	310,000.00
Post Office and Civil Service	412,000.00	394,000.00	806,000.00
Public Works	486,000.00	587,000.00	1,073,000.00
Rules	5,000.00	-	5,000.00
Science and Astronautics	350,000.00	350,000.00	700,000.00
Small Business	350,000.00	505,000.00	855,000.00
Standards and Conduct	20,000.00	-	20,000.00
Veterans' Affairs	150,000.00	100,000.00	250,000.00
Ways and Means	50,000.00	-	50,000.00
Special committees:			
Funerals	2,424.86	13,531.65	15,956.51
United States Involvement in Southeast Asia	-	30,000.00	30,000.00
Total	<u>\$6,882,524.86</u>	<u>\$7,390,131.65</u>	<u>\$14,272,656.51</u>

		Disbursements		Unexpended balance June 30, 1970			
		1969	1970	Total	June 30, 1970		
\$	32,163.62	\$	104,135.20	\$	136,298.82	\$	63,701.18
	60,066.65		173,242.72		233,309.37		191,690.63
	241,985.46		675,074.65		917,060.11		456,439.89
	17,655.90		606,348.09		624,003.99		350,996.01
	13,964.72		57,266.69		71,231.41		28,768.59
	271,281.02		709,139.91		980,420.93		558,779.07
	62,520.50		146,525.79		209,046.29		140,953.71
	377,436.27		892,541.43		1,269,977.70		480,022.30
	16,662.34		137,931.16		154,593.50		645,406.50
	-		18,995.00		18,995.00		21,005.00
	25,986.57		85,279.95		111,266.52		83,733.48
	160,861.01		429,793.13		590,654.14		259,345.86
	177,593.49		543,348.49		720,941.98		339,058.02
	102,312.22		278,076.09		380,388.31		119,611.69
	49,914.65		160,628.14		210,542.79		99,457.21
	147,336.34		397,194.09		544,530.43		261,469.57
	229,500.21		545,060.75		774,560.96		298,439.04
	917.64		1,849.28		2,766.92		2,233.08
	140,958.56		401,913.87		542,872.43		157,127.57
	162,450.93		412,780.47		575,231.40		279,768.60
	170.30		5,666.82		5,837.12		14,162.88
	37,581.50		113,757.13		151,338.63		98,661.37
	1,866.38		11,736.07		13,602.45		36,397.55
	2,424.86		13,531.65		15,956.51		-
	-		770.36		770.36		29,229.64
	<u> </u>		<u> </u>		<u> </u>		<u> </u>
\$	<u>2,333,611.14</u>	\$	<u>6,922,586.93</u>	\$	<u>9,256,198.07</u>	\$	<u>5,016,458.44</u>

SCHEDULE 4

THE FINANCE OFFICE

HOUSE OF REPRESENTATIVES

SCHEDULE OF CONTINGENT EXPENSES OF THE HOUSE--MISCELLANEOUS ITEMS

FISCAL YEAR 1969 APPROPRIATIONS

		Disbursed		
		fiscal year ended June 30		
		1969	1970	Total
AVAILABILITY OF FUNDS:				
Appropriations (note a)				\$8,000,000.00
Transferred to Stationery Revolving Fund				<u>-7,000.00</u>
Total funds available				<u>7,993,000.00</u>
FUNDS DISBURSED:				
<u>Item</u>				
<u>number</u>				
1	Cleaning materials, supplies, towels, paper cups, soap, and sundry items	\$ 213,207.98	\$ -1,138.97 ^b	212,069.01
2	Photostats and identification cards	2,841.51	616.97	3,458.48
3	Official blank checks (Clerk and Sergeant at Arms)	1,037.40	-	1,037.40
4	Special office equipment, maintenance, and repairs	48,533.40	23,328.28	71,861.68
5	News service, judicial books, tax pamphlets, etc.	74,650.22	806.70	75,456.92
6	Newspapers (members' lobby)	3,466.06	-	3,466.06
7	Ice	160.00	-	160.00
8	Laundry	35,162.62	7,715.37	42,877.99
9	Gratuities	160,996.94	9,370.94	170,367.88
10	Miscellaneous payroll (H. Res.)	348,274.32	-	348,274.32
11	Materials and equipment for folding	36,872.22	2,531.94	39,404.16
12	Premiums on official bonds	4,129.00	1,809.00	5,938.00
13	House Restaurant	175,000.00	36,000.00	211,000.00
14	Clerk's motor vehicles	926.82	555.10	1,481.92
15	Post Office motor vehicles	2,455.13	55.13	2,510.26
16	Publications distribution service motortruck	100.86	2.70	103.56
17	Hire of automobile, Sergeant at Arms	300.00	300.00	600.00
18	Stationery	65,674.64	8,894.40	74,569.04
19	Electrical and mechanical equipment	295,468.44	159,401.65	454,870.09
20	Service on electrical and mechanical equipment	58,581.56	6,971.98	65,553.54
21	Rental of home district office space, Members of the Congress	407,225.67	41,759.34	448,985.01
22	Official expenses of members, outside the District of Columbia	352,767.84	135,594.12	488,361.96
23	Insurance, Government contribution	233,565.08	-	233,565.08
24	Retirement, Government contribution	2,741,501.84	-	2,741,501.84
25	Contested-election cases	2,000.00	-	2,000.00
26	Health benefits, Government contribution	272,833.49	-	272,833.49
27	Receptions for members of interparliamentary institutions	519.10	-	519.10
28	Members' transportation expenses	546,007.19	75,468.49	621,475.68
29	Employees' transportation expenses	123,572.64	11,405.55	134,978.19
30	District telephone expenses	<u>226,691.74</u>	<u>118,350.21</u>	<u>345,041.95</u>
Total funds disbursed		<u>\$6,434,523.71</u>	<u>\$639,798.90</u>	<u>7,074,322.61</u>
UNEXPENDED BALANCE, JUNE 30, 1970				<u>\$ 918,677.39</u>

*\$8,000,000 appropriated under Public Law 90-417, July 23, 1968.

^bNet of prior year's adjustment, \$1,500.00; refunds, \$697.50; and disbursements, \$1,058.53.

THE FINANCE OFFICE

HOUSE OF REPRESENTATIVES

SCHEDULE OF CONTINGENT EXPENSES OF THE HOUSE--MISCELLANEOUS ITEMS

FISCAL YEAR 1970 APPROPRIATIONS

	Fiscal year ended <u>June 30, 1970</u>	
AVAILABILITY OF FUNDS:		
Appropriations (note a)	\$5,010,000.00	
Transferred to other appropriations:		
Stationery Revolving Fund	-2,350.00	
Government contributions	-63,100.00	
Special and select committees	-148,000.00	
Salaries, officers and employees	-20,000.00	
Minority Leader's automobile	<u>-25.00</u>	
Total funds available	<u>4,776,525.00</u>	
FUNDS DISBURSED:		
<u>Item number</u>		
1	Cleaning materials, supplies, towels, paper cups, soap, and sundry items	168,601.30
2	Photostats and identification cards	2,986.42
3	Official blank checks (Clerk and Sergeant at Arms)	2,026.94
4	Special office equipment, maintenance, and repairs	42,097.59
5	News service, judicial books, tax pamphlets, etc.	55,425.90
6	Newspapers (members' lobby)	4,725.22
7	Laundry	43,488.45
8	Gratuities	148,800.17
9	Miscellaneous payroll (H. Res.)	195,596.77
10	Materials and equipment for folding	41,275.47
11	Premiums on official bonds	511.00
12	House Restaurant	217,500.00
13	Vehicles, House of Representatives	1,405.40
14	Stationery	75,625.11
15	Electrical and mechanical equipment	259,960.51
16	Service on electrical and mechanical equipment	33,910.58
17	Rental of home district office space, Members of the Congress	426,075.06
18	Official expenses of members, outside the District of Columbia	354,047.51
19	Contested-election cases	-
20	Receptions for members of interparliamentary institutions	1,265.26
21	Members' transportation expenses	667,244.77
22	Employees' transportation expenses	111,422.84
23	District telephone expenses	<u>251,144.66</u>
Total funds disbursed	<u>3,105,136.93</u>	
UNEXPENDED BALANCE, JUNE 30, 1970	<u>\$1,671,388.07</u>	

*\$4,960,000 appropriated under Public Law 91-145, December 12, 1969; \$50,000 appropriated under Public Law 91-257, May 19, 1970; and Public Law 91-305, July 6, 1970.

APPENDIXES

W. Pat Jennings
Clerk

Office of the Clerk
U. S. House of Representatives
Washington, D. C. 20515

May 11, 1970

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, D. C.

Dear Mr. Staats:

I shall greatly appreciate your causing representatives of the General Accounting Office, as in past years, to make an audit of the Finance Office of the House of Representatives covering the current Fiscal Year 1970, from July 1, 1969 to June 30, 1970.

Thank you for this valuable service.

Sincerely,



W. PAT JENNINGS, Clerk
U. S. House of Representatives

APPENDIX II

Memorandum To: Don C. Gibson, Chief, Accounting Section & Marvin
Evans, Chief, Audit Section

From: James T. Molloy

Date: August 18, 1970

Subject: Corrective Audit Procedures

It has come to my attention that in the past we have had problems with overpayment and underpayment of checks issued by this office. As of the above date I am instituting the following procedures in the audit section to prevent these occurrences.

Continual Audit Procedure

When any group of checks are written they will immediately be checked for correctness of name, amount and date, then checked against the actual voucher and check register for correctness of amount. All group vouchers will be proven by making a tape of all the checks written for that voucher and then checking the total of the tape against the total amount shown on the voucher and check register.

Daily Audit Procedure

No checks are to be released until 3:45 P. M. each day and then only after the audit section has run a tape on the total checks issued, the total vouchers processed and the total of the check registers for that days work, the final distribution of checks will be made by myself or Mr. Pearson. At 3:45 P. M. the reconciliation for that day is completed, and checks issued on vouchers after that time are to be carried over until the following days reconciliation.

Walk-Through Procedure

Some of the Members are in the habit of sending one of the staff to the Office of Finance to hand carry a voucher through to completion. When this occurs the audit section is to get the permission of either myself or Mr. Pearson. The auditor then is to make out a three by five card and place it in the correct chronological order in the checks already written showing the amount, the payee and the last three digits of the check number. These cards are to be kept in with the days checks until the daily reconciliation is completed.

As a result of the above procedures there should be no dummy vouchers ever prepared after the above date for any reason whatsoever. It is stressed that all vouchers will be audited for correctness (including all group vouchers) before a check is written. It is also determined that the daily audit procedure will be completed by more than one member of the audit section (one will total checks, one the vouchers and one the check register). Each individual tape will be initialed and dated by the individual auditor.